

Improving areas of state support for youth entrepreneurship in the development of a digital economy

Alexander Alekseev
Department of Economic and
Accounting Disciplines
Surgut State University
Surgut, Russia
ORCID:0000-0001-7984-0085

Lyubov Zubareva
Department of Economic and
Accounting Disciplines
Surgut State University
Surgut, Russia
zlv@mail.ru

Abstract— The development of youth entrepreneurship is very important for the formation of the digital economy. Agriculture is a very conservative industry. It needs separate forms and methods of state support. Law does not fix the concept of youth agribusiness and this is a problem. Blockchain technology makes it possible to organize accounting for state support for small businesses in a new way.

Keywords— youth entrepreneurship, digital economy, state support, agribusiness.

I. INTRODUCTION

Modern national strategies for the development of territories imply the development of a digital economy, the formation of "smart" innovative enterprises, the provision of improved employment, the introduction of information technologies, and the training of creative and knowledgeable specialists. The digital economy is generating new effects related to the transformation of economic relations based on information technology [1]. Young people are the most active part of the society, which reacts quickly to any changes in life, which most effectively and benevolently perceive positive transformations. Therefore, we can say that young people have much greater potential and ability to work in the digital environment than other age groups [2]. Young people have less experience, financial capacity and other factors than the older generation. It is more difficult for young people to start an entrepreneurial activity, organize their own enterprises, and develop a business. Under these conditions, young people need the support of the state and various social structures more than anyone else does [3].

Digital technologies in the agriculture are used quite actively, but not by all the producers. Small business companies demonstrate the greatest activity. Many manufacturers of cheese, honey, snacks, etc. are promoting their products and selling them through the social networks "Odnoklassniki", "Vkontakte", "Instagram" and "Facebook". As a rule, they ensure the delivery of goods to the consumer bypassing intermediaries, which has a positive effect on the price of goods for consumers. Medium and large businesses use digital technologies in crop production, animal dreading and logistics.

Orientation to the export model of development requires high-quality transformation from domestic producers. It is necessary to work consistently to increase the share of domestic goods in the domestic market where the import substitution process has not been completed yet, and to enter all available foreign markets. The growth of the population of the planet indicates an increase in the number of consumers of agricultural products. Due to the growing attractiveness of the industry for investors, the competition is also increasing. The demand for Russian products on a international scale should be provided by its high quality and price characteristics which are attractive to buyers.

In such conditions, there is an objective need to increase labor productivity in the agro-industrial complex. For this process, it is necessary to improve the material and technical base, saturate enterprises with the latest equipment and computers, use digital technologies, commercialize the developments of Russian biotechnologists. Only in this case, the Russian high quality, environmentally safe and attractive products for the most demanding consumers will enter the domestic and global market.

The agro-industrial complex requires a qualitatively new infrastructure, smart logistics and young personnel - IT specialists and entrepreneurs, focused on digital commerce.

At the same time with the training of new personnel, it is necessary to modernize the tools and mechanisms of state support for agricultural producers, including representatives of small and medium-sized businesses. It is necessary to support the business initiative of not only farmers, but also students and young scientists. The support of the young entrepreneurs at the initial stage of activity, during preparation for opening a business and its first steps has a fundamental importance.

In our opinion, the development of the digital economy in the Russian Federation is slow and spontaneous. The initiator of the digital transformation in all industries are the entrepreneurs themselves. It indicates that, on the one hand, in the Russian Federation there are businesspersons and specialists possessing the necessary competencies for the needs of the digital economy. On the other hand, there is practically no government control over the development of

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the digital economy. Government support for enterprises who wish to use smart technologies is carried out within the framework of government programs that are not adapted to the needs of the digital economy. It is necessary to develop and form such tools to support entrepreneurship, which would ensure the mass creation of subjects of the digital economy.

II. THEORETICAL BASICS

Currently, more than more than a thousand organizations such as support funds, business incubators and technology parks are engaged in supporting the youth entrepreneurship in the Russian Federation. These organizations stimulate the creation and development of enterprises of various sizes, goals and activities. Four programs are aimed at developing the potential of young entrepreneurs: the federal program of financial support for small and medium-sized businesses of the Ministry of Economic Development, the federal program for creating high-tech technology parks of the Ministry of Communications and Mass Communications, the program of the Federal Agency for Youth Affairs “Zvorykin project”, and You are an entrepreneur.” The development of youth initiatives in Russia is dealt with by the Presidential Administration, the Ministry of Sport of the Russian Federation, the Ministry of Higher Education and Science of the Russian Federation, the Commission of the Federation Council on Youth Affairs and Tourism, the State Duma Committee on Youth Affairs and the Federal Agency for Youth Affairs. It should be noted that youth companies in Russia are not at the forefront of business processes, both innovative and traditional [4].

The emerging technological lag of domestic agriculture from world leaders is a challenge for the entire national economy. At the same time, it opens up tremendous opportunities for the modernization of the industry. Making a scientific and technological breakthrough in the AIC is impossible without the digitalization of the industry. The huge potential of domestic scientific and educational organizations allows us to provide a breakthrough with the necessary human resources. Small business can become the space for practical testing of digital technologies and the accumulation of new digital competencies among specialists. In our opinion, there are the following reasons for using small business as a substrate for the digitalization of the entire industry:

1) A small business is able to commercialize innovations more actively than large enterprises do, and in case of failure, it leads to less negative consequences.

2) A small business is the most flexible and mobile. It easily moves from one technology to another, increasing its own efficiency and serving as a guide for other entrepreneurs.

3) In the process of competition with large and medium-sized enterprises, small business occupies free market positions, as a result of which the entire AIC structure is optimized. The largest number of free market niches is in the digital economy.

4) The transformation of the small business into a medium or even large one is a positive phenomenon for the whole economy, which is contrary to the reverse process.

5) Small business attracts young professionals. Some of them are fixed in rural areas, increasing the total rural population and providing rural social infrastructure with work.

Consequently, it is the development of the small business is the prerequisite for creating digital agriculture. The effectiveness of the economic development is largely determined by the efficiency of its regulatory mechanisms. The regulation of the small business is carried out by the state with various state institutions and at different levels. From the position of the state, the main goal of small agribusiness development is to improve the economic situation in rural areas, which is manifested in changes of the economic indicators, such as gross product in the industry, unemployment in rural areas, the amount of taxes and others. For the population, the development of small business in the countryside is the increase of a personal well-being, which occurs as a result of rising incomes (salaries) and decreasing of the production costs due to increased competition. However, the most interested part in the small business development process is entrepreneurs, especially young entrepreneurs (for the reasons given in the introduction to this article).

Let’s consider the approximate directions of regulatory influence from the state on the development of the digital economy:

The creation of the infrastructure for the development of the digital economy. This activity involves the creation of new or transformation of the already existing ones of support for innovative entrepreneurship. The infrastructure requirements of the digital economy have specific requirements: uninterrupted access to electricity and a telecommunications network, a large number of Internet access points (including wireless), high-speed data processing and transmission and others.

Redistribution of powers of the subjects of the system of state of small and medium businesses support. Early among the priority areas of support and development there could be agriculture, tourism, and mining (depending on the region). The concentration of efforts to stimulate the priority sector meant the priority position of the relevant ministry (department). As the digitalization of the economy covers all branches of economic management, the management process is being democratized. In practice, it means more comfortable conditions of access to financial resources and infrastructure facilities for projects that were previously considered non-core in the region, and did not receiving the necessary support for this reason.

Ensuring the needs of the digital economy in the necessary factors of production. If there is no problem with “capital” and “land” in the overwhelming majority of regions, the situation is ambiguous with the provision of personnel (scientific, educational, innovative and entrepreneurial) for the needs of the digital economy.

Created infrastructure objects for the support of small businesses can be used to develop the digital economy. At the same time, not all the graduates of educational organizations possess the necessary competencies for use in the digital economy. For various reasons, entrepreneurs are not always ready to introduce digital technologies into the established business practice. It is important that truly innovative companies and products are created in business incubators and technology parks, otherwise the use of economic resources will be inappropriate or unefficient.

Introduction of digital technologies in production, provision of services, budget sphere. First of all, it concerns state-owned organizations. In the public sector, the introduction of digital technology should occur in a planned manner. It is necessary to conduct explanatory work with the private sector and citizens, show the competitive advantages of digitalization of business and the convenience of access to public services in the electronic version.

Integrated implementation of “smart city” technologies in the settlements of the region. They believe that it will make possible to manage more effectively the property of municipalities, promptly receive and process data on the state of the infrastructure, and simplify the interaction of the government and society. The introduction of urban information technology not only improves the quality of life, but also increases the efficiency of the control mechanism.

The enterprises of the industries with a fierce competition take the most active part in the application of digital technologies. This fact proves that business digitalization is a competitive advantage. However, the modern market is not fully free and self-regulating. J.M. Keynes, in his main work, proved the need for active state intervention in the economy [5].

However, there are doubts about the effectiveness of supporting youth entrepreneurship in Russian society. Similarly, a part of society is skeptical about the digitalization of the economy [6]. One of the reasons for this is the uncertainty in concepts, goals, results, as well as insufficient legal regulation of this sphere. Among the shortcomings can be identified inconsistency of federal and local legislation in the field of regulation of youth entrepreneurship, the lack of a federal law on youth, as well as provisions on youth entrepreneurship in the profile law “On support of small and medium-sized businesses” [7].

III. RESULTS

In our opinion, it is necessary to fix at the legislative level the definitions of “youth agribusiness” and “subject of youth agribusiness”, in order to provide more targeted and, consequently, more effective state support, namely:

Youth agribusiness is an entrepreneurial activity closely related to or directly dependent on agriculture, including the production of industrial goods for agriculture, carried out by citizens of the Russian Federation whose age does not exceed 30 years old and are registered as individual entrepreneurs, as well as by Russian commercial

organizations, founders (participants) which are citizens of the Russian Federation, whose age does not exceed 30 years old, and in the state of which not less than 70% employees are citizens of the Russian Federation who are under 30 years old.

The subject of youth agribusiness is a citizen of the Russian Federation, whose age does not exceed 30 years old, registered in the prescribed manner as an individual entrepreneur, a peasant (farm) enterprise, or a commercial organization registered in the territory of the Russian Federation, whose founders (participants) are citizens of the Russian Federation, whose age does not exceed 30 years old, and the average age of full-time employees does not exceed 25 years old.

In the context of the struggle to improve the efficiency of budget expenditures and the optimization of individual items, the application of a wide range of benefits, subsidies and compensations is impossible [8]. In the conditions of limited economic resources, the problem of their maximum effective use is becoming ever more acute. In our opinion, in order to make decisions on the provision of additional benefits and advantages to the subjects of youth agribusiness, the legislative and regulatory acts established for them should create a digital registry of youth agribusiness entities in the region. The holder of the electronic database of the registry should be the Department of Agriculture and Processing Industry of the region as the most interested executive authority.

The requirements for smart contracts should be fully applicable to the proposed document. Technologically, blockchain technology is appropriate for storing performance and operations, since it provides high reliability of data, optimization of workflow, and accessibility to a personal account of a support recipient in any geographic point.

Submission of applications for entering information about the subject of youth agribusiness in the Register should be made in electronic or paper form through multifunctional centers; they should also exercise operational control over the timing of the execution of citizens' appeals, conduct counseling work with applicants.

The refusal to the subject of youth agribusiness to enter information about the subject of youth agribusiness to the Register is possible if the applicant submits an improperly executed Application for entering information about the subject of youth agribusiness to the Register or if the subject of the youth agribusiness does not meet the criteria for small and medium-sized businesses established by the Federal Law of July 24, 2007 N 209-FL “On the development of small and medium-sized businesses in the Russian Federation”.

Refusal to enter information in the Register can be appealed. If the applicant meets the established criteria and if there is an application for entering information about the subject of youth agribusiness into the digital registry, the subject of the youth agribusiness is assigned a unique registry number, a personal account of the support recipient

is created, and the status is “youth microenterprise” or “youth small agroenterprise” is conferred.

The digital registry should contain the following information:

- 1) The name of the authority that provided the support.
- 2) The full and (if available) abbreviated name, including the firm name, the address (location) of the permanent executive body of the legal entity, the state registration number of the record of the state registration of the legal entity.
- 3) Last name, first name and patronymic, place of residence of an individual entrepreneur, state registration number of the record of state registration of an individual entrepreneur.
- 4) Information about the participants (founders).
- 5) Information on persons included in the management of the enterprise.
- 6) The period of support.
- 7) Taxpayer identification number (TIN);
- 8) The date of the decision on the provision or termination of support.
- 9) Information (if available) on the violation of the procedure and conditions for providing support, including the misuse of support funds [9].

Exclusion of information on the subject of youth agribusiness from the Register is made in cases where the subject of youth agribusiness ceases to meet the criteria for attributing to the number of youth entrepreneurship entities, or if the applicant has provided false or unreliable information regarding the criteria for attributing to the number of youth agribusiness entities.

The applicant is obliged to inform the holder of the digital registry within 15 days about any changes regarding the status of the subject of youth agribusiness. When the subject of youth agribusiness is excluded from the digital registry, citizens who are participants (founders) and citizens who are members of the governing bodies of this entity that have violated the conditions of state support are prohibited to re-apply for inclusion in the registry earlier than two years after decisions to exclude from the registry.

The advantages of using the blockchain technology for operations with data on recipients of state support are the complete transparency of all transactions conducted, the ability to copy data transmission and processing, and the fundamental impossibility of making changes for destructive purposes. For example, in the personal account of the recipient of support it is clear that the account received 50,000 rubles from the bank - the operator of state support funds. The recipient of support spent them on the purchase of RFID tags to label their products. All persons who have access to the digital registry have the ability to track the movement of funds, but only users with the necessary rights have access to the settlement account. This ensures the necessary publicity of the transaction - all

transactions are stored in a cryptographically encrypted format.

Blockchain is a decentralized data storage system. Therefore, it is impossible to hack it and falsify data about the operation and its participants [10]. For example, if 10 individuals and legal entities participated in the operation, and all of their computers were hacked or destroyed, then the chain of blocks would in any case be kept in parts on the computers of other system participants, and would be fully accessible to third parties. The safety of the data in the chain of data blocks on recipients of state support is ensured by the fact that each subsequent data block stores information about the previous block. Hacking one of the participants will not affect the safety of other data.

IV. ANALYSIS

The author's contribution to the wording of these concepts is to summarize the existing interpretations of the concepts “youth entrepreneurship”, “small business” and “agribusiness” and aggregate these concepts in order to optimize the work of the economic and legal mechanism for regulating small business. Introduction to the practice of such definitions seems to us significant for several reasons. First of all, this is a partial filling of the gap in the legislation, which has already been mentioned above (the absence of the concept of “youth entrepreneurship”). This is followed by the structuring of youth entrepreneurship; we give the criteria for identifying the most significant of its links. And, finally, the advanced input of the concepts “youth agribusiness” and “subject of youth agribusiness” gives an advantage to interested persons (entrepreneurs in the field of the agro-industrial sector) in obtaining government support for small and medium-sized businesses.

It is advisable to start using digital registry technology with young entrepreneurs. Many of them have an idea about the blockchain technology, cryptocurrencies, have experience working with e-government. They will be easier to master the work in the digital environment and to implement innovative ideas [11].

However, since even not all young entrepreneurs are ready to work for a new digital environment, they will need to be prepared for this. It is necessary to make changes in training programs for specialists. For the development of the digital agricultural sector, it is necessary to develop new development tools that meet modern requirements.

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